Disclosures under Basel III Capital Regulations -Pillar III

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Citibank N.A. - Pillar III Basel Disclosures

1.1 General

The BASEL III disclosures contained herein relate to Citibank N.A., India Branches (herein also referred to as the 'Bank') for the year ended March 31, 2015. These are compiled in accordance with Reserve Bank of India (the 'RBI') regulations on Master Circular – Basel III Capital Regulations vide RBI Circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014 as amended from time to time.

The Bank being a branch does not have any direct subsidiaries nor does it hold any significant stake in any company. The RBI guidelines on Financial Regulation of Systemically Important NBFCs and Banks' Relationship vide circular ref. DBOD. No. FSD. BC.46 / 24.01.028/ 2006-07 December 12, 2006 read with 'Guidelines for consolidated accounting and other quantitative methods to facilitate consolidated supervision' vide circular ref. DBOD.No.BP.BC.72/ 21.04.018/2001-02 dated February 25, 2003 mandate coverage of the 'Consolidated Bank' (herein also referred to as 'Citi'). This includes, in addition to the Bank as a branch of Citibank N.A , the following wholly/majority owned non banking finance companies, which are subsidiaries of Citigroup Inc. held through intermediary holding companies:

Citicorp Finance (India) Limited (formerly known as 'CitiFinancial Consumer Finance India Limited) incorporated in India on 1 May 1997, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. N.14.00002 dated 21 April 2004. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND-SI').

During the current financial year, Citicorp Capital Markets Limited (CCML) and Citicorp Clearing Services India Limited (CCSIL), both wholly owned subsidiaries of Citicorp Finance (India) Limited have been amalgamated with the holding Company with effect from April 1, 2014.

As prescribed in the above guidelines, the Bank is not required to prepare consolidated financial statements. However, certain prudential guidelines apply on a Consolidated Bank basis, including that of capital adequacy computation under BASEL III guidelines.

No quantitative disclosures shall apply since there are no subsidiaries of the Bank. Further, the Bank does not have any interests in insurance entities.

In accordance with Basel requirements, the bank also has an internal capital adequacy assessment process (ICAAP) for Citibank India. The ICAAP depicts the various categories of risks to which the bank is exposed, details the ongoing assessment of such risks, how risks are to be mitigated, and quantifies the amount of capital required currently and in the future to cope with these risks. The ICAAP process also includes an assessment of capital adequacy in an extreme stress scenario. The ICAAP is subjected to an independent review as required by RBI guidelines.

1.2 Capital Structure

The capital funds of Citi include the following:

Tier 1 Capital:

1. Paid up Equity Capital.
2. Interest-free funds from Head Office specifically for the purpose of meeting the capital adequacy norms.
3. Statutory reserves calculated at 25 % of each year's profit.
4. Capital reserve not eligible for repatriation so long as the Bank functions in India.
5. Other free reserves.
6. Remittable surplus.
7. Deductions: Deferred Tax assets, Defined pension benefit asset, Intangibles and Prudential Valuation adjustment for Illiquid Positions

Tier 2 Capital:
1. Revaluation reserves arising from revaluation of the premises owned after a discount of 55%
2. General Provisions and Loss Reserves.
3. Investment Reserve.
4. Floating provision.

Quantitative disclosures:

In Rs. Lakhs

Tier 1 Capital	**Mar 31, 2015**	**Mar 31, 2014**
Common Shares (Paid-up equity Capital)	289,330	289,330
Statutory Reserves	600,424	508,708
Other disclosed free reserves	3,674	2,459
Balance in profit & Loss account at the end of previous financial year	783	-1,139
Current Financial profit, to the extent admissible	1,365	1,922
Interest free funds from H.O (for foreign bank)	374,384	374,384
Remittable Surplus retained in Indian books	702,354	688,193
Capital Reserves	11,544	10,981
Interest free funds remitted from abroad for acquisition of property and held in separate account	6,194	6,194
Other Eligible Reserves	11,434	21,181
Common Equity Tier I	**2,001,486**	**1,902,213**
Regulatory Adjustments		
Intangibles	29,887	30,899
Deferred Tax Asset	70,743	86,823
Defined benefit Pension fund asset	5,182	4,820
Other eligible deduction from CET1 (Prudential valuation adjustment)	3,033	-
Investment in equity capital of unconsolidated non-financial subsidiaries	-	-
Regulatory adjustment applied to CET1 in respect of amount subject to pre-BASEL treatment	-	-
Regulatory adjustment applied to CET1 due to insufficient additional tier 1 and 2 to cover deductions	-	-
Total Regulatory Adjustments	**108,845**	**122,542**
Total Tier I Capital (A)	**1,892,641**	**1,779,672**
Additional Tier I Capital (B)	-	-
Tier II Capital		
General Provision and loss reserves	109,465	97,298
Revaluation Reserves at discount of 55%	15,519	14,630
	124,984	**111,928**
Regulatory Adjustments		
Regulatory adjustment applied in respect of amount related to pre-Basel III treatment	-	-
Total Regulatory Adjustments	-	-
Total Tier II Capital (C)	**124,984**	**111,928**
Total of Tier I + Tier II (A) + (B) + (C) = (D)	**2,017,625**	**1,876,037**

1.3 Capital Adequacy

The Bank has processes in place to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed. The capital plan is put up to the Local Operations Management Committee (LOMC) for review and approval on an annual basis. The Bank is engaged in providing wholesale, retail and private banking services.

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The Bank has an Internal Capital Adequacy Assessment Process (ICAAP) which establishes a framework for the Bank to perform a comprehensive assessment of the risks they face and to relate capital adequacy to these risks. Furthermore, the capital analysis performed by the Bank is expected to encompass all significant risks, not only those risks captured by the Pillar 1 minimum regulatory capital calculation. A long tenor capital forecast is prepared for the Bank and reviewed by the senior management team.

As allowed under the BASEL III guidelines issued by the Reserve Bank of India, the Bank has adopted Standardized Approach (SA) for credit risk, Standardized Duration approach (SDA) for computing capital requirement for market risks and Basic Indicator Approach (BIA) for operational risk. In this regard, the bank is also guided by the practice adopted by Citibank across its branches in various countries on adoption of advanced approaches. At present Citibank has not rolled out implementation of advanced models at a country level.

Capital requirements for credit risk:

Rs. in Lakhs

Category	**Nature**	**As at March 31, 2015**		**As at March 31, 2014**	
		Risk weighted assets	**Capital charge**	**Risk weighted assets**	**Capital charge**
Wholesale exposures	Generally includes exposures to Banks, Financial Institutions and Corporates	6,552,976	589,768	6,140,093	552,608
Retail exposures	Generally includes exposures to individuals and households, small businesses of a retail nature	2,697,236	242,751	2,274,273	204,685
Securitization exposures	Includes credit enhancement	10,973	988	17,141	1,543

Capital requirements for market risk:

Rs. in Lakhs

Category	**Nature**	**As at March 31, 2015**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2014**
		Risk weighted assets	**Capital charge**	**Risk weighted assets**	**Capital charge**
Interest rate risk	Includes specific and general risk on interest rate instruments in the trading book	975,553	87,800	526,308	47,368
Foreign exchange risk	Includes specific and general risk on currencies (including gold)	195,068	17,556	197,219	17,750
Equity risk	Includes specific and general risk on equity instruments	2,798	252	21,089	1,898
Total		**1,173,419**	**105,608**	**744,616**	**67,016**

Capital requirements for operational risk:

Per the Basic Indicator approach for Operational risk the Bank is required to maintain capital at the rate of 15 % of average gross income of previous three years. The risk weighted assets for operational risk are calculated by dividing the operational risk capital charge by 9%. The capital requirement for Operational risk is Rs.114,128 Lakhs (previous year Rs. 103,727 Lakhs).

Capital adequacy ratio

The Capital Adequacy ratio has been computed in accordance with Capital Adequacy guidelines issued vide circular DBOD.No.BP.BC.6/21.06.201/2014-15 date July 1, 2014.
Credit Valuation Adjustment (CVA) risk capital charge on OTC derivatives was to be implemented from April 1, 2014. Accordingly, CRAR ratio for March 31, 2015 is computed with CVA charge, while CRAR ratio for March 31, 2014 presented below is without CVA charge.

Entity	As at March 31, 2015			As at March 31, 2014		
	Total Capital ratio	Tier I Capital ratio	Tier II Capital ratio	Total Capital ratio	Tier I Capital ratio	Tier II Capital ratio
Citibank N.A.	15.30%	14.18%	1.12%	16.49%	15.35%	1.14%
Consolidated Bank	17.18%	16.12%	1.06%	18.31%	17.23%	1.08%

1.4 Credit risk: General Disclosures

The three principal businesses of the Bank viz Corporate Banking, Commercial Banking and Consumer Banking approve and implement policies and procedures appropriate to their respective risk, business and portfolio. These policies address risk measurement, reporting, monitoring, mitigation and remediation.

For Corporate Bank, the Global Credit Policy along with the Local Credit Policy lays down the parameters/norms for credit exposure. Based on the industry studies and detailed company analysis and after considering the Target Market Norms & Risk Acceptance Criteria, credit is approved. Business as well as Independent Risk Management unit needs to approve annual reviews. Wherever required, Industry specialist and product specialists review and approve sizeable credits. Credit approval limits are granted based on experience and seniority. The Bank has a policy of internal rating on a global scale to assign Obligor Risk Ratings (ORRs). ORRs define one-year probability of default and are continuously monitored. The bank also assigns an Obligor Limit Rating (OLR), which provides a medium to long-term view of credit quality. Approval authority is defined as per Credit Facilities Approval Grid, which requires higher level of authority to approve exposures with on the OLR scale ranging from high to low.

The Commercial Markets Business Credit Policies define the guidelines and policies under which portfolio is managed supplemented by Credit Programs. The Business team prospects customers within approved industry segments. The due diligence is performed by Business Unit (Coverage Bankers and Credit Lending unit) which assesses the borrowing requirements and recommends facilities within the parameters set out by the credit programs / framework. The due diligence process includes, but is not restricted to, management evaluation, business and financial statements analysis. All proposals are approved by atleast two credit approvers (one atleast from Credit Lending Unit or Independent Risk) at least one of whom has credit initials to cover the facilities proposed. Independent Risk provides oversight to implementation of the Credit Policies and Programs and Procedures.

Consumer banking has an independent Policy Unit, which recommends lending policy, review portfolio and take credit actions. This is supported by a credit operations unit, which reviews proposals for adherence to laid down policies as well as does all verifications prior to disbursal of credit. Credit appraisal is independent of the business stream to ensure unbiased credit judgment.

Norms for Determining When to Classify Various Types of Assets as Non-Performing

The Bank follows the RBI guidelines for asset classification, which are briefly described herein below.

Term Loans and Consumer loans are treated as a non-performing if the interest and/ or installments of principal remain overdue for a period of more than 90 days.

Cash credits & Overdrafts are treated as non- performing if it remains 'out of order' for a period of more than 90 days.

An account will be treated "out of order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In case where the outstanding balance is less than the sanctioned limit/drawing power, but there are no credits continuously for three months as on balance-sheet date or credits are not enough to cover the interest debited during the same period, these accounts will be treated as out of order.

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Bills purchased /discounted are treated as non-performing if the bill remains overdue and unpaid for a period of more than 90 days during the financial year.

Any other facility (including dues on forward exchange and derivative contracts) will be treated as non-performing if any amount to be received remains overdue for a period of more than 90 days.

For retail loans, including credit cards, the system buckets the overdue installments into Bucket 1 to Bucket 6 (each bucket is a 30 day period) based on day count from the overdue date determined as per the bank's policy. The NPA classification activities are performed by the system at the end of each month. All borrowers with balances in Bucket 4 and above are considered as non-performing assets. Card overdue and Ready Credit - Retail in Bucket 7 are written off and other unsecured retail loans are written off in Bucket 5.

1.4.1.Credit Risk Quantitative disclosure

i) Total Gross Credit Exposure by Industry and Geography* **Rs. in Lakhs**

Particulars	As of March 2015		As of March 2014	
	Fund Based	Non Fund Based	Fund Based	Non Fund Based
Agriculture & Allied Activities	25,690	652	19,800	278
Aviation	268	15,216	6	14,613
Banks	561,294	813,205	2,322,899	1,522,426
Beverage & Tobacco	125,429	61,395	117,106	42,840
Cement & Cement Products	11,138	2,958	21,526	8,421
Computer Software	102,505	265,920	83,522	228,156
Construction (other than Infrastructure)	11,662	1,674	10,445	1,640
Cotton Textiles	1,110	315	966	22
Drugs & Pharmaceuticals	208,370	110,806	253,076	79,723
Edible Oils & Vanaspati	2,770	7,027	2,285	6,600
Electronics	314,304	190,372	238,370	171,025
Fertilizers	20,716	33,918	12,834	23,147
Gems and Jewellery	7,272	532	7,900	1,995
Glass & Glassware	13,332	1,152	20,118	1,567
Iron & Steel	74,834	42,664	45,801	86,034
Leather And Leather Products	17,051	655	15,324	333
Man-Made Textiles	500	-	-	-
Mining & Quarrying (incl. Coal)	54,913	12,806	43,636	44,279
Other Food Processing	59,708	29,815	62,168	21,734
Other Industries	1,015,957	622,438	1,530,605	687,397
Other Infrastructure	2,302	1,423	3,527	408
Other Metal & Metal Product	72,720	73,820	77,704	48,390
Other Textiles	86,451	10,859	79,523	10,901
Others	800,793	400,366	780,416	228,908
Paper and Paper Products	88,867	9,426	86,435	25,021
Petro Chemicals	108,556	73,891	106,333	43,518
Petroleum	123,815	48,104	26,753	74,017
Petroleum, Coal Products & Nuclear Fuels	810	5,429	13,677	18,096
Power	32,626	1,699	4,108	369
Professional and Other Services	6,444,009	1,012,841	5,665,812	338,144
Railways (Other than Indian Railway)	-	2,881	0	2,536
Retail advances	2,777,939	9,829	2,264,354	17,336
Retail trade	9,442	3,696	41,363	5,319
Roads	3,001	86	7,915	190
Rubber, Plastic & their Products	62,791	18,620	67,252	16,219
Shipping	18,558	4,268	18,320	5,474
Telecommunications	55,753	68,622	169,160	12,434
Tourism and Hotels and Restaurants	13,178	5,152	17,029	3,900
Transport Operators	31,088	4,186	79,212	10,464
Particulars	As of March 2015		As of March 2014	

	Fund Based	Non Fund Based	Fund Based	Non Fund Based
Vehicles, Vehicles part and Transport Equipment	506,509	139,211	400,668	107,871
Wholesale trade	199,912	72,404	187,062	74,057
Wood & Wood Products	6,645	3,365	6,482	2,003
Leasing	5,000	-	5,000	125
Others-Engineering	14,600	1,221	5,859	7,239
Construction	67,702	1,613	60,498	811
Electricity	-	-	577	46
Others-Chemicals	-	-	3,321	771

***Note:** As a branch of a foreign bank, the operations of the Bank do not extend outside of India. Hence the Bank is considered to operate only in the domestic segment.

ii) Residual contractual maturity breakdown of assets as at March 31, 2015.

Rs. in Lakhs

Maturity Bucket	As at Mar 31, 2015		As at Mar 31,2014	
	Loans and Advances	Investments	Loans and Advances	Investments
Day 1	169,281	1,718,750	76,805	1,686,867
2 to 7 days	195,961	1,312,500	186,705	1,376,366
8 to 14 days	281,185	341,923	180,781	95,639
15 to 28 days	378,837	505,363	495,518	214,433
29 days to 3 months	824,496	474,740	700,255	208,376
Over 3 months to 6 months	816,346	72,438	631,676	142,263
Over 6 months to 12 months	765,172	88,596	622,454	114,147
Over 1 year to 3 years	1,734,632	870,992	1,630,451	762,001
Over 3 years to 5 years	347,397	4,072	388,144	25,547
Over 5 years	1,006,444	403,058	1,120,535	569,552
Total	6,519,750	5,792,432	6,033,324	5,195,191

iii) Amount of NPAs (Gross)

Rs. in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Substandard	28,514	32,403
Doubtful 1	17,069	15,002
Doubtful 2	11,387	84,593
Doubtful 3	11,930	6,732
Loss	9,157	9,829

iv) Net NPAs: Rs.24,488 Lakhs (Previous year Rs.70,200 Lakhs)

v) NPA ratios:

- Gross NPAs to gross advances: 1.27% (Previous year: 2.43%)
- Net NPAs to net advances: 0.40% (Previous year: 1.16%)

vi) Movement of NPAs

Rs. in Lakhs

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gross NPA	Provision	Net NPA	Gross NPA	Provision	Net NPA
Opening Balance as on April 1	148,560	78,359	70,200	149,343	60,671	88,672
Additions during the year	55,366	35,395	19,971	71,942	36,503	35,439
Recoveries/write offs during the year	125,868	60,185	65,683	72,725	18,815	53,911
Closing Balance as on March 31	78,057	53,569	24,488	148,560	78,359	70,200

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vii) Non-performing Investments (NPIs): Rs.3,000 Lakhs (Previous year: Rs.15,000 Lakhs.)

viii) Provision for NPIs: Rs. 3,000 Lakhs (Previous year: Rs. 5,400 Lakhs.)

ix) Movement of provisions held towards depreciation on investments

Rs. in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Opening Balance as on April 1	12,479	14,769
Additions during the year	0	0
Recoveries/write offs during the year	9,479	2,290
Closing Balance as on March 31	3,000	12,479

1.4.2 Credit Risk: disclosures for portfolios subject to the standardized approach

The Bank has approved use of ratings issued by renowned external rating agencies- CRISIL Limited, Fitch India and ICRA Limited for local exposures as permitted by Reserve Bank of India. For the foreign exposures the ratings assigned by Standard & Poor's, Fitch and Moody's are used by the Bank, these being the parents of the local entities in question.

Where the obligors have obtained rating of the facility from any of the above credit rating agencies, the Bank has applied the risk weights relevant to the ratings so assigned. Where the obligors have not yet obtained such a rating, the exposure has been considered as unrated and appropriate risk weights applied.

The breakdown of the exposure (after mitigation) is as under:

Rs. in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Below 100% risk weight	12,546,518	13,338,910
100% risk weight	2,263,423	3,348,244
More than 100% risk weight	3,459,472	1,962,555
Deducted	0	0

1.4.3 Credit risk mitigation

The Bank has a three-stage approach to credit risk mitigation i.e. pre-disbursement due diligence, credit approval and post disbursement monitoring. The policies are individually varied for the corporate, retail and commercial bank segments. Risk mitigation and defeasance techniques are utilized as appropriate in the various lines of business. While security and support are used by the corporate bank as risk mitigants, various risk mitigation tools such as rewrite and settlement programs are used in the consumer bank based on well-defined policies and processes. Ongoing calculation and monitoring ensures that the management is comfortable with the residual risk, which is adequately supported by the capital employed.

Credit review in Retail segment is based on an analysis of portfolio behavior as opposed to any judgmental review at an obligor level. Pre-disbursement due diligence involves appraisal and legal verification of collateral documents. The legal documentation is vetted and pre-approved.

For Commercial Bank segment, as per RBI guidelines, the Bank has adopted the comprehensive approach that allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. Under this approach, eligible financial collateral is reduced from the credit exposure to customer when calculating their capital requirements subject to hair cuts as prescribed under the guidelines. Credit collateral information is maintained by the Credit Administration. This data is available at facility level and is being used for reporting purposes.

The Bank has in place a Standby Letter of Credit (SBLC) extended by Citibank Head Office (New York) to the extent of the rupee equivalent of USD 1.97 billion, as an additional support to cover Citibank India's facilities provided to locally incorporated subsidiaries and branch offices of multinational companies, whose ultimate parent has a global banking relationship with Citibank. The Bank undertakes a credit appraisal of such exposures based on the available financials of the local subsidiaries. In addition, the Bank also receives inputs on credit assessment from Citibank franchise in respective countries which manages the global relationship for that entity and further relies on credit support from the SBLC extended by Citibank Head Office. In certain cases, specific SBLCs are obtained from Citibank branch which manages the global relationship basis periodic review. It may be noted that such credit support are not considered as eligible collateral

Exposure covered by eligible financial collateral after application of hair cut:

Rs in Lakhs

Category	Nature	As at March 31, 2015	As at March 31, 2014
Wholesale exposures	Generally includes exposures to Banks, Financial Institutions and Corporates	79,008	162
Retail exposures	Generally includes exposures to individuals and households, small businesses of a retail nature	NIL	Nil
Securitization exposures	Includes credit enhancement which is reduced from Capital funds (refer capital funds details at 1.2 above)	NIL	Nil

Exposure covered by guarantees:

Rs in Lakhs

Category	Nature	As at March 31, 2015	As at March 31, 2014
Wholesale exposures	Generally includes exposures to Banks, Financial Institutions and Corporates	NIL	NIL
Retail exposures	Generally includes exposures to individuals and households, small businesses of a retail nature	NIL	NIL
Securitization exposures	Includes credit enhancement which is reduced from Capital funds (refer capital funds details at 1.2 above)	NIL	NIL

1.4.4 Securitization

Securitization risk includes the risk that the capital resources held by the firm in respect of assets which it has securitized or participated in any third party securitization transactions are inadequate having regard to the economic substance of the transaction, including the degree of risk transfer achieved. Typically, in securitization transactions bank acts as an originator, servicing agent, investor in pass through certificates and provider of credit enhancement or as guarantor.

As an Originator, assets in the form of loan receivables held on the books of the bank are assigned to an independent Special Purpose Vehicle (SPV) which is created as a specific trust by an independent third party acting as the Trustee. The Bank does not have any role in the formation or management of SPVs. The Bank has not sponsored any off-balance sheet vehicles for the purpose of securitization. The Bank does not provide any direct or indirect support to the SPV. The Bank is not responsible for the solvency or otherwise of the SPV nor is it concerned with any gains or losses that the SPV may make. The Bank obtains True sale opinion and loans so securitized are recorded as sales once the management is satisfied that control over the underlying assets has been transferred. Pursuant to RBI guidelines, the gain arising on securitization of portfolio, which is the difference between sale consideration and book value of loans, is deferred and recognized in profit and loss account over the life of securities issued by the SPV. Loss, if any, is recognized on upfront basis in the profit and loss account. Expenses relating to securitization namely rating fees, trusteeship fees and legal expenses are charged to the profit and loss account. Where the Bank is acting as a servicing agent it earns servicing income from the transaction. In certain securitization structures, the Bank would have retained interest in the form of excess interest strips (also called Interest only strips receivable - IOSR). The Bank provides credit

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enhancement to support the transaction in the form of guarantee, cash collateral and subordination of IOSR. The Bank has not held any Pass through Certificates (PTCs) for securitization transactions where it has acted as originator. The credit enhancements provided by the Bank is deducted from capital funds. Apart from the credit enhancements the Bank does not have any continuing obligation/ exposure from the securitization except IOSR which is not offered as credit enhancement. The Bank does not hold any securitization exposures in its trading books as an investor or otherwise. Bank is not running any pipeline and warehousing risks with regard to its asset book.

Following the decline in transactions in securitization market over last several years, the Bank has not carried out any retail loan securitizations. The wholesale loan securitization has been largely restricted to single or more corporate loans securitization not involving any 'packaging' or 'repackaging' of receivables. In these transactions the Bank has not retained any interest in the transactions nor has the Bank provided any credit enhancement. With these transactions bank has been able to provide required finance to the corporate based on their credit strength despite the general de-growth in the asset book of the Bank. Bank has been able to achieve full risk defeasance by doing these securitizations. None of these wholesale loan assets are of a 'subprime' nature.

As regards the securitization transactions carried out in the past years, the outstanding position is not significant and the Bank has already built up adequate provision for losses on them. The Bank does not carry any securitization exposures as an investor. As regards, exposures as an originator of the transactions, the Bank monitors the performance of the portfolios and credit risk thereon and appropriately treats from a capital adequacy perspective. The Bank has not used any credit risk mitigants with regard to securitization transactions.

Quantitative Disclosures (Banking Book):

Rs. in Lakhs

Particulars:	**2014-15**	**2013-14**
Total amount of exposures securitised during the year		
Corporate Loans	Nil	Nil
Commercial Vehicles	Nil	Nil
Mortgage	Nil	929,891
For exposures securitised losses recognised by Citi during the current period broken by the exposure type	Nil	Nil
Corporate Loans	Nil	Nil
Amount of assets intended to be securitised within a year	Nil	Nil
Of above, amount of assets originated within a year before securitisation	Nil	Nil
Unrecognised gain on securitisation of deals	Nil	NIL
Unrecognised loss on securitisation of deals	Nil	Nil
Aggregate amount of On-Balance Sheet securitisation exposures/whole loan sale retained or purchased		
IOSR (subordinated)		
IOSR (non-subordinated)	7	10
Cash Collaterals	988	1,543
Investment in Pass Through Certificates (PTCs)		
Aggregate amount of off-balance sheet securitisation exposures		
Guarantees		
Exposures that have been deducted entirely from Tier 1 and Tier 2 capital		
IOSR (subordinated)		
IOSR (non-subordinated)	7	10
Cash Collaterals	988	1,543
Guarantees	0	0

Aggregate amount of securitisation exposures retained and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach:

Rs in Lakhs

Exposure Type	Capital Approach	As at March 31, 2015		As at March 31, 2014	
		RWA	Capital Charge	RWA	Capital Charge
IOSR (subordinated)	Forms part of RWA				
IOSR (non-subordinated) I	Forms part of RWA	7	7	10	10
Cash Collaterals	Forms part of RWA	10,973	988	17,120	1,541

The Bank has from time to time used ratings of CRISIL Limited, ICRA Limited and Fitch India for rating its securitisation transactions.
There are no quantitative disclosures required to be made for trading book as Citi is not holding any position.

1.5 Market risk

1.5.1 Market risk in trading book

Market Risk is the risk of loss due to changes in the market values of the Bank's assets and liabilities caused by changing interest rates, currency exchange rates and security prices.

The Bank is integrated into the overall Citigroup risk and control framework, balancing senior management oversight with well-defined independent risk management functions. It is the responsibility of the senior management of the Bank to implement Citigroup policies and practices, to oversee risk management, and to respond to the needs and issues in the Bank. The Bank's policy is to control material market risks through a framework of limits & triggers which are approved by LOMC and to manage any residual exposure through a series of sensitivity analyses, scenario tests and robust controls over calculating, monitoring and reporting results

All market risk taking activity in Citibank N.A. India is centralised with Treasury and undertaken by authorised dealers. The Treasury is subject to limits and triggers across all products and risk factor. The Bank's Risk Management Policy approved by LOMC defines the process and procedures of limit approvals, changes, delegation, reporting and escalation in case of limit excesses and trigger breaches. The independent Market Risk Management reports and monitors the trading risk exposures against approved limits and triggers on a daily basis. An excess or a breach is reported and dealt with appropriately for corrective action with reporting to ALCO, Senior Market Risk Management and Corporate Treasury.

The capital charge for interest rate related instruments and equities would apply to current market value of these items in Banks trading book. Since the Bank is required to maintain capital for market risks on an ongoing basis, the trading positions are marked to market on a daily basis. The current market value is determined as per extant RBI guidelines on valuation of investments.

The minimum capital requirement is expressed in terms of two separately calculated charges: Specific risk charge for each security, which is designed to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer. General market risk charge, which is towards interest, exchange and price risk in the portfolio in different securities or instruments.

Specific charge is computed in line with the rates for capital charge provided under the RBI guidelines on Prudential Norms on Capital Adequacy. The capital requirements for general market risk are designed to capture the risk of loss arising from changes in market interest rates. The Bank follows the modified duration method for measurement of the general market risk charge on investments portfolio. Measurement of market risk charge for interest rates include all interest rate derivatives and off-balance sheet instruments in the trading book, which react to changes in interest rates. The Bank has adopted intermediate approach for measuring the price risk for options. Options are reported as a position equal to the market value of the underlying multiplied by the delta. In addition, capital charge is also provided for the gamma and vega risk.

Capital charge for market risks in foreign exchange is 9 % on the open position limit of the Bank. This capital charge is in addition to the capital charge for credit risk on the on-balance sheet and off-balance sheet items pertaining to foreign exchange.

On the equity position in the investment portfolio capital charge has been maintained at 11.25% for specific risk and 9% for general risk.

The risk appetite is largely determined and controlled due to regulatory limits on foreign exchange and interest rate exposure. The spot foreign exchange exposure is limited through Net Open Position which is approved by RBI and the interest rate exposure on derivatives is controlled through the gross PV01 limit which is restricted to 0.25% of the networth of the Bank as required by RBI. Further, the aggregate interest rate exposures on trading account is limited by limits on PV01 which is much below the stipulated Gross PV01 limits established by RBI.

Risk is measured in terms of:-

(a) Factor sensitivities (DV01 – impact of change of rates by one basis point) for interest rate products, FX Delta for Spot position, Vega and Gamma limits for FX Options. These measures & limits are further sub-divided for each yield curves and currencies.

(b) Value-at-risk Trigger, which measures maximum potential loss at 99% confidence level over 1-day holding period based on the day's outstanding risk positions across the entire mark-to-market exposures.

(c) Loss Triggers: The Trading book and available for sale book profit and loss monitored against month-to-date and inception-to-date (for available for sale) Loss Triggers.

(d) Aggregate Contract Trigger Limits: The notional positions for swaps (INR, FCY and cross-currency) and options are monitored against these limits.

Capital requirements for market risk:

Rs. in Lakhs

Category	**As at March 31, 2015**		**As at March 31, 2014**	
	Risk weighted assets	**Capital charge**	**Risk weighted assets**	**Capital charge**
Interest rate risk	975,553	87,800	526,308	47,368
Foreign exchange risk (including precious metals)	195,068	17,556	197,219	17,750
Equity position risk	2,798	252	21,089	1,898
Total	**1,173,419**	**105,608**	**744,616**	**67,016**

1.5.2 Market risk : Interest Rate risk in banking book (IRRBB)

Interest rate risk represents the Bank's exposure to adverse movements in interest rates with regard to its non-trading exposures. Interest rate risk is measured by doing a gap analysis as well as factor sensitivity analysis. Business-specific assumptions underlying these measurements, e.g., tenor bucket used for demand deposits, are documented and models used to measure interest rate risk are independently reviewed. Interest rate gap analysis utilizes the maturity or repricing schedules of balance sheet items to determine the differences between maturing or repricing items within given tenor buckets. Interest rate exposure (IRE) measures the potential pre-tax earnings impact, over a specified reporting period, for the accrual positions, from a defined change in the yield curve. Residual market risk is also monitored using a series of measures, including factor sensitivities (PV01) and stress testing. Factor sensitivities (PV01) are expressed as the change in the value of a position for a defined change in a market risk factor, such as a change in the value of a position for a one basis point change in interest rates. Independent Market Risk Management monitors factors for all relevant market risk.

The Bank undertakes Stress Testing for its banking book to assess the likely absolute loss and its impact on the net worth of the bank. Interest Rate stress parameters are based on sophisticated statistical analysis which provides tenor based stress parameter for different interest rate scenarios. The stress impact is estimated by multiplying factor sensitivity (dv01) for each tenor by the relevant tenor stress parameter which is further aggregated for each interest rate scenario. The stress impact as provided below is based on the worst loss interest scenario thereby capturing the direction of the interest rate risk positioning across the yield curve. The size of the stress parameter differs for each tenor and for each interest scenario reflecting the underlying economic condition.

Impact on earnings/ economic value/ capital for interest rate shocks by currency:

Rs. in Lakhs

Currency	As at March 31, 2015		As at March 31, 2014	
	Earnings	Capital	Earnings	Capital
INR	4,700	15,287	2,977	53,430
FCY	1,617	1,128	249	852

1.6 General Disclosure for exposure related to counterparty credit risk

The Bank offers derivative products to customers by applying prudential criteria of suitability and appropriateness vis-à-vis customers based on applicable regulations as prescribed by RBI and existence of underlying exposures. The product offering is managed by the Treasury Front Office which comprises of sales and trading teams. Settlement and reporting of credit risks of all deals is undertaken by the Back office. An independent Middle office is responsible for monitoring and reporting risk numbers daily to management. Further, Market Risk Management unit, assigned with the responsibility for setting up market risk limits and monitoring utilizations operates independent of business. These separate units with different reporting lines ensure that market and credit risks are independently measured, monitored, and reported to ensure objectivity and transparency in risk-taking activities.

The Bank makes market in all permitted Over The Counter (OTC) derivative transactions for its customers and in the Interbank Market. The Bank also uses some of these derivatives for hedging its assets and liabilities. The Bank is also a trading member on the exchange for exchange traded foreign currency and interest rate futures.

The Bank is integrated into the overall group-wide risk and control framework, balancing senior management oversight with well-defined independent risk management functions. It is the responsibility of the senior management of the Bank to implement group's policies and practices, to oversee risk management, and to respond to the needs and issues in the Bank. The Bank's current policy is to control material market risks through a framework of limits and triggers which are approved by Local Operations Management Committee and to manage any residual exposure through a series of sensitivity analyses, scenario tests and robust controls over calculating, monitoring and reporting results.

The Risk management unit plays a key role in sanctioning of the limits, and laying down the risk assessment and monitoring methods. The policies of the Bank include setting limits upon the currency position, products specific gaps, maximum tenor, overall outstanding and also setting-up of counterparty wise pre-settlement risk limits.

Limits are monitored on a daily basis by the Treasury and Risk management unit. Exposure reports are submitted to the Treasurer as well as the Head–Risk management unit, and any limit excesses are brought to the notice of management immediately for further action.

In any derivative transaction undertaken with the counterparty, the Bank is exposed to the risk of replacing the contract at a loss if the counterparty were to default. Such credit exposure on derivatives is measured and monitored using the Current Exposure Method by adding the positive mark-to-market and an estimate of the potential future exposure due to change in the market value of the contract. The Bank has processes to monitor such exposure on each of the counterparties. Appropriate credit mitigants are used, where required as trigger events, to call for collaterals or terminate a transaction and contain the risk.

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Quantitative Disclosure

Rs. in Lakhs

Particulars	As at March 31, 2015		As at March 31, 2014	
	Notional	Current Credit Exposure	Notional	Current Credit Exposure
Cross Currency Interest rate Swap	1,314,856	153,167	1,246,878	160,013
Forward Forex Contract	49,449,580	1,316,521	50,190,851	2,285,855
Currency Options	1,157,234	42,315	303,783	21,459
Single Currency Interest rate Swap	43,692,868	422,943	47,118,515	558,830

1.7 Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events. It includes reputation and franchise risks associated with Citi's business practices or market conduct. It also includes the risk of failing to comply with applicable laws, regulations, ethical standards, regulatory administrative actions or Citi policies and legal risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Citi maintains an Operational Risk Management Framework with a Governance Structure to support its core operational risk management activities of anticipation, mitigation and recovery. To ensure effective management of operational risk across Citi, the Governance Structure presents three lines of defense:

- First Line of Defense: The business owns its risks, including its operational risk, and is responsible for its management. They are responsible for identifying and reporting operational risks to Independent Risk Management and Control Functions
- Second Line of Defense: Oversight by Independent Risk Management and Control Functions. Risk and Control function partner manage operational risk by designing, implementing and assessing the effectiveness of controls.
- Third Line of Defense: Internal Audit recommends enhancements on an ongoing basis and provides independent assessment and evaluation

The Operational Risk Management Framework is intended to ensure management across Citi of the operational risks and ongoing exposures in the development and delivery of products and services to our clients. The Framework:

- Promotes the advancement of operational risk management across Citi with effective anticipation, mitigation and recovery activities intended to ensure the proactive reduction of the frequency and severity of Citi's Operational Risk Events;
- Establishes a foundation on which the activities of the businesses, the resulting operational risks, and the associated controls are identified, periodically assessed, subject to corrective action, appropriately documented, and communicated;
- Is a supplement to good management practices and judgment; managers remain accountable for ensuring that all activities and their associated operational risks are appropriately managed; and
- Facilitates adherence by Citi to regulatory requirements, including "Basel II" capital standards.

Citi has detailed out the Operational Risk Management requirement and objectives through its Operational Risk Policy which requires deployment of various operational risk tools for proactive identification and management of key risks. Manager's Control Assessment(MCA) is a diagnostic tool used in the management of operational risks. MCA also supports the evaluation of internal controls over financial reporting and compliance with regulations by ensuring appropriate review and assessment of the design and execution of internal controls and risk and control assessment processes

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Significant control issues, emerging risks and MCA results are consolidated and aggregated for review by Citi's Business Risk Compliance and Control Committees (BRCCs) and Local Operations Management Committee (LOMC). Quarterly Managers assign a MCA Entity Rating along with significant residual operational risks (SRORs – These risks reflect the residual risk impacting the control environment considering management's assessment of the effectiveness of key controls designed to mitigate the entity's significant inherent operational risks)

Citi has adopted the basic indicator approach to operational risk for capital adequacy computation. Given the low experience of actual operational loss events, this approach is assessed to be adequate.

1.8 Other Risks

The bank also assesses other qualitative risks such as Reputational/Franchise Risk, Business, Strategic risks and additional capital requirements, if any, to cover for such risks. The assessment is covered in the ICAAP process. As part of the assessment process of all products and lines of business, the bank makes a specific assessment of franchise risk impacting the reputational position of the company. While Business and strategic risk is considered a material risk for Citibank India, strong controls exist to mitigate such risks such as the approval of new products and new activities and complex transactions. A robust process of mitigation of the individual risks also results in a collective mitigation of reputational / franchise risk.

Table 2 Basel III common disclosure template to be used during the transition period
Composition of Capital - Solo

Rs. In Lakhs

Sl. No.	Common Equity Tier 1 capital: instruments and reserves	As on 31st Mar, 2015	REF
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	374,384	a
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	1,281,424	b1+b2+b3+b4 +b5+b6+b7
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**Common Equity Tier 1 capital before regulatory adjustments**	1,655,808	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	3,033	
8	Goodwill (net of related tax liability)		
9	Intangibles (net of related tax liability)	29,826	c
10	Deferred tax assets	44,081	d
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets	5,182	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3		
20	Mortgage servicing rights4 (amount above 10% threshold)		
Sl. No.	**Common Equity Tier 1 capital: instruments and reserves**	**As on 31st Mar, 2015**	**REF**

Sl. No.	Common Equity Tier 1 capital: instruments and reserves	As on 31st Mar, 2015	REF
21	Deferred tax assets arising from temporary differences5 (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold6		
23	of which: significant investments in the common stock of financial entities		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments7 (26a+26b+26c+26d)		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries		
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries8		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9		
26d	of which: Unamortised pension funds expenditures		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	**Total regulatory adjustments to Common equity Tier 1**	**82,121**	
29	**Common Equity Tier 1 capital (CET1)**	**1,573,687**	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	of which: instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 capital before regulatory adjustments**		
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10		
41	National specific regulatory adjustments (41a+41b)		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	**Total regulatory adjustments to Additional Tier 1 capital**		
44	Additional Tier 1 capital (AT1)		
44a	Additional Tier 1 capital reckoned for capital adequacy11		
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**1,573,687**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions **(Refer Note)**	123,696	
51	**Tier 2 capital before regulatory adjustments**	**123,696**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10%		

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55	Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments (56a+56b)		
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank		
57	**Total regulatory adjustments to Tier 2 capital**		
58	Tier 2 capital (T2)	**123,696**	
58a	**Tier 2 capital reckoned for capital adequacy**	**123,696**	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**123,696**	
59	**Total capital (TC = T1 + T2) (45 + 58c)**	**1,697,383**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**11,096,566**	
60a	of which: total credit risk weighted assets	8,714,069	
60b	of which: total market risk weighted assets	1,173,419	
60c	of which: total operational risk weighted assets	1,209,078	
	Capital ratios	15.30%	
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.18%	
62	Tier 1 (as a percentage of risk weighted assets)	14.18%	
63	Total capital (as a percentage of risk weighted assets)	15.30%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)		
65	of which: capital conservation buffer requirement		
66	of which: bank specific countercyclical buffer requirement		
67	of which: G-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.5%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.0%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.0%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Note – Provision amount includes the below items:

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Particulars	Amount
Revaluation Reserves @ 45%	15,518
Investment Reserve	39,670
General Provision on Standard Assets	59,408
Floating rate provision	9,100
Total	**123,696**

Table 2 Basel III common disclosure template to be used during the transition period
Composition of Capital - Consolidated Basis

Rs. In Lakhs

Sl. No	Common Equity Tier 1 capital: instruments and reserves	As on 31st Mar, 2015	REF
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	663,713	a
2	Retained earnings	3,674	b8
3	Accumulated other comprehensive income (and other reserves)	1,334,099	b1+b2+b3+b4+b5+b6+b7
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**2,001,486**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	3,033	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	29,887	c
10	Deferred tax assets	70,743	d
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	5,182	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3	-	
20	Mortgage servicing rights4 (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences5 (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold6	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries8	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9	-	
26d	of which: Unamortised pension funds expenditures	-	
Sl. No	**Common Equity Tier 1 capital: instruments and reserves**	**As on 31st Mar, 2015**	**REF**

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27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	**Total regulatory adjustments to Common equity Tier 1**	**108,845**	
29	**Common Equity Tier 1 capital (CET1)**	**1,892,641**	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 capital before regulatory adjustments**	-	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	-	
44	Additional Tier 1 capital (AT1)	-	
44a	Additional Tier 1 capital reckoned for capital adequacy11	-	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**1,892,641**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions **(Refer Note)**	124,984	
51	**Tier 2 capital before regulatory adjustments**	**124,984**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
Sl. No	**Common Equity Tier 1 capital: instruments and reserves**	**As on 31st Mar, 2015**	**REF**
57	**Total regulatory adjustments to Tier 2 capital**	-	

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58	Tier 2 capital (T2)	**124,984**	
58a	**Tier 2 capital reckoned for capital adequacy**	**124,984**	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**124,984**	
59	**Total capital (TC = T1 + T2) (45 + 58c)**	**2,017,625**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**11,746,214**	
60a	of which: total credit risk weighted assets	9,261,186	
60b	of which: total market risk weighted assets	1,216,936	
60c	of which: total operational risk weighted assets	1,268,092	
	Capital ratios	17.18%	
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.12%	
62	Tier 1 (as a percentage of risk weighted assets)	16.12%	
63	Total capital (as a percentage of risk weighted assets)	17.18%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	-	
65	of which: capital conservation buffer requirement	-	
66	of which: bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Note – Provision amount includes the below items:

Particulars	**Rs in Lakhs**

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Revaluation Reserves @ 45%	15,518
Investment Reserve	39,671
General Provision on Standard Assets	60,695
Floating rate provision	9,100
Total	**124,984**

Step 1 to Reconciliation Requirements

Rs. in Lakhs

	Particulars	Balance sheet as in financial statements Solo	Balance sheet as in financial statements Balance sheet under regulatory scope of consolidation
		As on 31st Mar, 2015	As on 31st Mar, 2015
A	Capital & Liabilities		
i	Paid-up Capital	374,384	663,713
	Reserves & Surplus	1,606,238	1,662,586
	Minority Interest	-	-
	Total Capital	**1,980,622**	**2,326,300**
ii	**Deposits**	**8,891,200**	**8,891,200**
	of which: Deposits from banks	70,007	70,007
	of which: Customer deposits	8,821,193	8,821,193
	of which: Other deposits (pl. specify)	-	-
iii	**Borrowings**	**1,740,783**	**1,950,270**
	of which: From RBI	925,100	925,100
	of which: From banks	812,527	853,524
	of which: From other institutions & agencies	3,156	45,069
	of which: Others (Debentures & Finance Lease obligation)	-	126,577
	of which: Capital instruments	-	-
iv	**Other liabilities & provisions**	**1,264,959**	**1,313,728**
	Total	**13,877,564**	**14,481,497**
	Assets		
i	Cash and balances with Reserve Bank of India	496,834	496,834
	Balance with banks and money at call and short notice	437,674	457,578
	Total	**934,508**	**954,412**
ii	**Investments:**	**5,717,134**	**5,792,433**
	of which: Government securities	5,690,422	5,690,422
	of which: Other approved securities	-	-
	of which: Shares	1,242	11,722
	of which: Debentures & Bonds	-	64,819
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	25,470	25,470
iii	**Loans and advances**	**6,089,631**	**6,519,751**
	of which: Loans and advances to banks	-	-
	of which: Loans and advances to customers	6,089,631	6,519,751
iv	**Fixed assets**	**164,247**	**164,648**
v	**Other assets**	**972,044**	**1,050,253**
	of which: Goodwill and intangible assets	29,826	29,887
	of which: Deferred tax assets	44,081	70,743
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	**13,877,564**	**14,481,497**

Step 2 to Reconciliation Requirement

Rs. in Lakhs

	Particulars	Balance sheet as in financial statements Solo	Balance sheet as in financial statements Balance sheet under regulatory scope of consolidation	Ref
		As on 31st Mar, 2015	As on 31st Mar, 2015	
A	Capital & Liabilities			
i	Paid-up Capital	**374,384**	**663,713**	
	of which: Amount eligible for CET1	374,384	**663,713**	a
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	**1,606,238**	**1,662,586**	
	- Statutory Reserves	549,900	600,426	b1
	- Remittable Surplus retained in Indian books	702,354	704,502	b2
	- Capital Reserves on Sale of Immovable Property	11,544	11,544	b3
	- Furniture & Equipment Reserve	-	-	b4
	- Properties Investment Reserve	6,194	6,194	b5
	- FX Capital Reserve	-	-	b6
	- Special Reserve	11,434	11,434	b7
	-General Reserves	-	3,674	b8
	-Other reserves*	324,812	324,812	
	Minority Interest	-	-	
	Total Capital	**1,980,622**	**2,326,300**	
ii	**Deposits**	**8,891,200**	**8,891,200**	
	of which: Deposits from banks	70,007	70,007	
	of which: Customer deposits	8,821,193	8,821,193	
	of which: Other deposits (pl. specify)	-		
iii	**Borrowings**	**1,740,783**	**1,950,270**	
	of which: From RBI	925,100	925,100	
	of which: From banks	812,527	853,523	
	of which: From other institutions & agencies	3,156	45,069	
	of which: Others (pl. specify)	-	126,577	
	of which: Capital instruments	-	-	
iv	**Other liabilities & provisions**	**1,264,959**	**1,313,728**	
	of which: DTLs related to goodwill			
	of which: DTLs related to intangible assets			
	Total	**13,877,564**	**14,481,497**	
	Assets			
i	Cash and balances with Reserve Bank of India	496,834	496,834	
	Balance with banks and money at call and short notice	437,674	457,578	
	Total	**934,508**	**954,412**	
ii	**Investments:**	**5,717,134**	**5,792,433**	
	of which: Government securities	5,690,422	5,690,422	
	of which: Other approved securities	-	-	
	of which: Shares	1,242	11,722	
	of which: Debentures & Bonds	-	64,819	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	25,470	25,470	
iii	**Loans and advances**	**6,089,631**	**6,519,751**	
	of which: Loans and advances to banks	-	-	
	of which: Loans and advances to customers	6,089,631	6,519,751	
iv	**Fixed assets**	**164,247**	**164,648**	
v	**Other assets**	**972,044**	**1,050,253**	
	of which: Goodwill and intangible assets	29,826	29,887	c
	Of which: Goodwill	-	-	
	Particulars	**Balance sheet as in financial**	**Balance sheet as in financial**	**Ref**

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		statements Solo	statements Balance sheet under regulatory scope of consolidation	
	Of which: Other intangibles (excluding MSRs)	29,826	29,887	
	of which: Deferred tax assets	44,081	70,743	d
vi	Goodwill on consolidation	-	-	
vii	Debit balance in Profit & Loss account	-	-	
	Total Assets	**13,877,564**	**14,481,497**	

***Details of other reserves are as below:**	**Rs. in Lakhs**
Balance in Profit and Loss Account	250,656
Property Revaluation reserve	34,485
Investment Reserve	39,670
Total	**324,812**

Note: Citi does not have any regulatory Capital Instrument; the disclosure template for the same is not applicable.

Scope of Application:

(i) Qualitative Disclosures:

A List of group entities considered for consolidation **As on 31st Mar, 2015** **Rs. in Lakhs**

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Citicorp Finance (India) Limited	No	NA	Yes	The RBI guidelines on Financial Regulation of Systemically Important NBFCs and Banks' Relationship vide circular ref. DBOD. No. FSD. BC.46 / 24.01.028/ 2006-07 December 12, 2006 read with 'Guidelines for consolidated accounting and other quantitative methods to facilitate consolidated supervision' vide circular ref. DBOD.No.BP.BC.72/ 21.04.018/2001-02 dated February 25, 2003 mandate coverage of the 'Consolidated Bank' (herein also referred to as 'Citi').	NA	

B List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation **Rs. in Lakhs**

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Citigroup Global Markets India private Limited	Institutional broking, Investment banking, Wealth management & Professional clearing member of Currency & Equity derivatives segment of National Stock Exchange and currency derivatives segment MCX-SX	23,000	0%	NA	435,506
Orbitech Limited	Strategic investment	286	0%	NA	23,009

Citicorp Services India Private Limited	Captive Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO), Information Technology Outsourcing (ITO), ITES, vendors' oversight, decision support, shared services, SFS operations and software development / applications related services.	10,653	0%	NA	100,726

(ii) Quantitative Disclosures:

C List of group entities considered for consolidation

Rs. in Lakhs

Name of the entity / country of incorporation (as indicated in (i)a. above)	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Citicorp Finance (India) Limited	NBFC, Insurance distribution	289,330	603,934

D The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
NA	NA	NA	NA	NA

E. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity	(as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
NA	NA	NA	NA	NA	NA